



3 Stocks Stopping the Presses

<http://www.fool.com/investing/general/2011/03/30/3-stocks-stopping-the-presses.aspx>

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You saw the headlines. You know your stock price made a big move. But what does that portend for your investment's future?

By pairing the latest news with the collective wisdom of our 170,000-strong [Motley Fool CAPS](#) investing community, we might be able to discover whether your stock's latest exploits are a short-term hiccup -- or the start of a much bigger trend.

The following stocks have all made big moves over the past five days:

Stock	CAPS Rating (out of 5)	Change Past Week	Source: finviz.com, Motley Fool CAPS.
drugstore.com (Nasdaq: DSCM)	***	114.4%	It looks like CAPS members weren't the only one noticing drugstore.com was selling at a deep discount. Earlier this month, we pointed out it was trading for less than half its 52-week high , and noted its important agreement with MedcoHealth Solutions was
VirnetX Holding (NYSE: VHC)	***	39.9%	
Ebix (Nasdaq: EBIX)	**	(23.9%)	

expiring at the end of the year (with the possibility for one-year renewals thereafter).

Seems **Walgreen** (NYSE: [WAG](#)) took notice too and offered to buy the online pharmacy for \$409 million, a 113% premium to its valuation. The Fool's Rick Munarriz thought that was a [pricey prescription](#) considering **Rite-Aid** (NYSE: [RAD](#)) was unlikely to make a counteroffer, and **CVS Caremark** (NYSE: [CVS](#)) was still trying to swallow the prescription benefits management pill it took on when Caremark was acquired.

But by buying drugstore.com, Walgreen was underscoring its commitment to be the preeminent place to have your prescription filled. Last quarter, it achieved a milestone by filling for the first time one in every five prescriptions placed in the retail prescription market, and its growth there exceeded by 3% the overall industry growth rate, according to the industry watchers at IMS Health.

Walgreen's also introduced an iPhone app for prescriptions as well as a mobile communications-friendly website. With 97% of CAPS All-Stars rating drugstore.com to outperform the broad market averages, they saw it had the prescription for growth. Let us know in the comments section below or on the [drugstore.com CAPS page](#) whether Walgreen made a mistake in [paying the premium it did](#).

A short course in growth

It would have been easier to figure out why [VirnetX Holding](#) has been shooting higher had there actually been some headlines to read about this stock, yet this stock has been gapping higher quickly without any announced news. While a recent *Seeking Alpha* article was [bullish on the communications software specialist](#), the stock has been moving higher well before then. In fact, the real moves began after **AT&T** (NYSE: [T](#)) announced it was [buying T-Mobile](#). The Monday after the deal was announced it jumped 7% higher, and it has been moving up non-stop since then. Short-sellers might be getting squeezed here.

Speaking of squeeze, after VirnetX was able to wring a [nine-figure settlement](#) out of **Microsoft**, it began using the momentum to go after a handful of tech companies as well as wireless carriers [rolling out their 4G networks](#). Since every connected device on the network will be required to have a secure domain name, VirnetX's specialty will be paramount here.

The Fool's Seth Jayson thinks investors might want to [look closer at the company's cash flows](#) before diving in here, which is enough for CAPS All-Star [kkconway](#) to [swear off the stock](#).

The debate over its patents and how they're applied is bound to be fierce, so let us know on the [VirnetX Holding CAPS page](#) whether this stock is ready to rocket higher still.

No assurance on veracity

Aren't accusations of fraud and malfeasance supposed to be reserved for Chinese small cap RTO stocks? *Seeking Alpha* was again the [catalyst for a big price move](#) by a company, but this time insurance software provider [Ebix](#) was the target of an anonymous short-seller. As Anders Bylund points out, the Fool's *Rule Breakers* analyst team has found Ebix CEO Robin Raina a paragon of propriety, but investors apparently were taking no chances and abandoned the company en masse.

Ebix is the leading business exchange operator, particularly in the life insurance and annuities markets, but also has a commanding presence in property and casualty and employee benefits. It's been able to lay low under [much of Wall Street's radar](#), but it is certainly gaining prominence now.

It's said the shortest amount of time ever recorded is the interval between when a light turns green and the car behind you leans on its horn to go, but that's only if you exclude the time it takes a trial lawyer to try and round up a class of investors to file a shareholders lawsuit. Naturally, after Ebix's shares plummeted the lawyers smelled blood and swarmed, figuring it was a good time to find an easy payday. But Ebix has already responded to and dismissed the allegations made by the short-seller, so the parasites looking to feed off of Ebix will likely have to find a new host.

CAPS member [ozzfan1317](#) says a lot of the issues raised in the anonymous report were [old news or mistaken](#):

Basically until 2015 they have a tax holiday on foreign income and then they will pay a more normal rate on it. Also they have Tax loss carry overs which will last another year or so. Furthermore the other statements said blog made were about situations at least 4 to 5 years ago. If you read the blog on seeking Alpha it was nothing more than a short sellers desperation post disguised as research.

Additional rebuttals are now surfacing on Seeking Alpha as well, but you can watch the drama play out by adding Ebix to [your watchlist](#).

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